

1951-05May-GENERAL POLITICAL RESOLUTION-RWL-Toronto

(Annotations and highlights by the editors – Note: The authorship of this document by leaders of the Canadian Revolutionary Party, formed in 1945 by newly recruited forces with Ross Dowson playing a leading role for the first time, evidently benefits from the veteran Trotskyist leadership of past activists such as Maurice Spector, at that time active in the New York branch of the Socialist Workers Party where he collaborated with the authoritative writers of their journal New International.)

(The following resolution is presented in the name of the N.C. for the 2nd National Convention of the RWP. It has been adopted by the resident members of the N.C. and the draft was submitted to non-resident N.C. members for their approval. Suggested corrections and amendments of the non-resident members have been incorporated in it, and the general line is endorsed by a majority of the N.C.)

<<indicates text alterations ordered post-convention>>

The International Situation

World capitalism emerged from the Second World War with its equilibrium irreparably shattered, its world market in shambles.

The break-down of capitalism on an international scale was expressed by the emergence of America as the sole solvent capitalist power, its dominant position based not on accumulation of new wealth but on the debt and prostration of the rest of the bourgeois world.

This disintegration of once-mighty imperialist powers created a vacuum in large areas of the globe: Eastern Europe, into which the Kremlin moved, and Asia, where the colonial masses rose and tore whole sections of the continent partially or wholly from the grip of imperialism. This in turn intolerably accentuated the crisis of world capitalism and definitively vetoed any stabilization on a peacetime basis.

All attempts by American imperialism and its Canadian ally to restore the world market and stave off collapse ran head into the realities of capitalism's death-agony. The extensive loans, the multilateral trade conferences, the machinery of currency stabilization — all failed; and the insoluble split of the capitalist world into two closed trading zones, characterized by the inconvertibility of currencies and the chronic dollar crisis, threatened world trade with atrophy.

At this juncture Wall Street launched the Marshall Plan which recognized the destruction of the world market and sought to repair it in the interests of U.S. imperialism by means of a huge loan system. This was aimed at raising European production, splitting the Buffer countries from the Soviet camp — the pre-requisite for the reestablishment of European trade — and, most important of all, stimulating American exports and underwriting its foreign investments. *(All emphases by the editors)*

This project failed completely. With the developing glut of the American market, the revival of European production turned into a threat to Wall Street; the dollar crisis, expressing the overwhelming preponderance of America in a ruined world, once more became intolerable. A desperate wave of currency devaluations ensued, through which the soft currency countries strove to increase their exports to the U.S. Under the pressure of the Marshall Plan, Stalin had consolidated his grip over the Buffer Zone. The titanic colonial revolution, already encompassing to one degree or another Indonesia, India, Indo-China, had caught fire in the heart of Asia — China — where the masses were in armed revolt against the bloody dictator Chiang and his Wall Street backers.

The long-awaited depression loomed. At this point the drive and orientation of American imperialism to war, already lodged in the Marshall Plan and implicit in its policies almost from the very close of World War II, became dominant in the economy and politics of the world.

The threatening depression was overcome by unprecedented peacetime arms expenditures which kept the vital U.S. internal market from collapse. Politically, the war perspective was sealed with the Atlantic Pact. With the outbreak of the Korean War and the immediate imperialist intervention, the turn of the capitalist world to a full-scale arms economy, with all the suffering entailed in this for the masses, became definitive.

The drive to war is dictated by the classical aims of imperialism — exports of goods and capital, conquest of sources of cheap labor and raw materials. Its immediate aim is the creation of markets by the state through the arms economy. Its strategic aim, more and more intermeshing with the immediate, is the re-colonialization of Asia and above all, the conquest of the Soviet Union and the reopening of this vast area to capitalist exploitation. The war drive is accelerated in this period by the complete collapse of capitalism as a world system and the existence of the Soviet Union and Stalinism which tends despite itself to polarize the forces let loose by this collapse in the most vulnerable areas.

The war thus being prepared by imperialism and already engaged on a limited scale is qualitatively different from the previous world conflagrations. Far from being a basically inter-imperialist conflict, it finds

the imperialist powers united against the toiling masses of the earth surging forward onto the international political arena and still gropingly, but more massively than ever before in history, striving to take in their own hands the destiny of man.

The necessity of Wall Street to prop up world capitalism and carry forward its preparations on two continents is too great a task even for its unparalleled material might. The war economy, while providing an immediate solution for Wall Street, drains the might of the Yankee colossus and makes the war itself more urgent.

The contradictions facing imperialism, signified by the tactical split in the American ruling class, the divergence between America and its capitalist allies brought sharply into the open by the Bevan break, make all forecasts as to the schedule of the war impossible. At the root of the imperialist dilemma lies the salient fact that, while they need the strong state to an even greater degree than in the Thirties because of the more cataclysmic crisis of the system and the civil war character that World War III would assume from the start, nevertheless, unlike the situation in the Thirties, the masses of the world are more and more freeing themselves from the clutch of their rulers.

The proletariat of Europe, though long stymied and thrust back by Social Democratic and especially Stalinist betrayal, remain undefeated and are beginning to move forward. The last bastion of the outright fascist state — Spain — is rocking with the blows of a resurgent working class. The colonial peoples are on the march. The masses at home exhibit a growing resistance to the sacrifices increasingly imposed by the war economy, and a growing disillusionment with, merging into opposition to, the whole purpose and ideology of the war program.

Stalinism, the main brake on the proletariat in many countries, has been profoundly undermined by this period of mass revolt and ferment; above all by the Yugoslav and Chinese revolutions, the most developed results to date of the maturing world revolution.

Tremendous friction is generated in the imperialist camp by the necessity of America to drag the rest of the capitalist world behind it at a more or less uniform pace in all its war moves and preparations, despite the specific problems and level of mass resistance in each country. Strong neutralist sentiments have arisen within the European bourgeoisie, particularly since Korea — sentiments which cannot, however, negate their fundamental alliance with Wall Street.

There is the possibility of a deal with Stalin; even a reversion to depression, which would from the outset hold for the capitalists dangers as great as war, is not altogether excluded, though extremely improbable. Despite possible temporary deals, the perspective is one of a deepening war crisis, with control of its momentum and schedule more and more passing out of the hands of the rulers of the Yankee empire as the relationship of social forces continues to swing against them.

Canada and the War Drive

Canada emerged from World War II as an important and integral part of the American war economy. As such it underwent a feverish industrial expansion. Industrial capacity rose 50% over pre-war levels. Thus while U.S economy was expanded, that of Canada was transformed; with 1% of the world's population, the country rose to the seventh manufacturing nation of the world and its third commercial power. Industrial production accounted for almost one third of the national income, only slightly below the U.S. The labor productivity of this industrial world power was second only to the United States.

But that development of Canadian economy — an artificial development incurred largely through world destruction and a national debt which soared fantastically from \$4- 1/2 billion to \$15-1/2 billion confronted the Canadian bourgeoisie at war's end with the old problem of markets, only now in more acute form. Canada emerged from the war with exports accounting for 36% of the national income against a pre-war average of 26%. The jobs of two million workers, two-fifths of the total labor force, were directly dependent on this export trade. Even a slight drop in volume meant a substantial drop in profits and employment. Thus this great reliance on export trade in the face of the ruined world market confronted Canada on its emergence from World War II with a more immediate threat of crisis than the U.S.

The internal market could not, because of its different nature, absorb any appreciable part of this volume, even in the first post-war stage of pent-up demand. On the contrary, the internal market was dependent on the maintenance of export levels. Vanishing of wartime savings, increase in debt and credit buying, piling up of inventories — were dollar exports to drop, these trends in the internal market would soon become predominant.

The phenomenal boost in capital investment since the war — increasing the productive capacity an additional 40% to date — while acting as a prop for the home market could not prevent a close co-relation between export volume and the general level of the economy and, in the face of an extended sag in exports,

would soon dry up and accentuate the crisis. This capital investment is not based on solid peacetime perspectives but on ephemeral boom conditions on the one hand and the perspectives of war economy on the other. The refusal of the bourgeoisie to expand crucial steel production without huge government aid, and the unwillingness of the government to undertake large-scale immigration essential to this expanding economy, is the criterion of their own confidence in the future of the capital investment boom.

It is in the world market, then, that we shall find the key to the crisis of Canadian capitalism and the political results of this crisis.

The war shattered the equilibrium of Canadian trade, based on a favorable balance with the Commonwealth which covered its unfavorable balance with the U.S. The non-convertibility of sterling ruptured this pattern.

The Canadian bourgeoisie, desperately endeavoring to restore the old equilibrium, issued huge loans to Europe, several times greater on a pro-rata basis than those of the U.S., to temporarily irrigate the channels of trade. Its aim was to help Wall Street patch up the pound so that Britain would consent to make it convertible with the dollar.

Despite such measures, the bankruptcy of the world market asserted itself rapidly and with stunning force. Its expression was the dollar crisis which threatened the capitalist world in '47. Sterling conversion, finally permitted by Britain, had resulted in a frantic run on the pound and was soon called off, having served only to aggravate the situation.

The dollar crisis hit Canada with a special ferocity. Her huge unbalance of trade with the U.S. leaped to the foreground. While the U.S. was not seriously hurt immediately, Canadian economy was threatened with rapid strangulation.

With this crushing verdict on its attempts to restore the old equilibrium, the Canadian bourgeoisie more and more tended to abandon the futile attempt. Recognition of the new reality forced a greater and greater reliance on the U.S. market; the whole tendency of Canadian economy in the constricting world market was expressed by Finance Minister Abbott when he called for "a greater integration of the efforts of the United States and Canada," and announced; "We are making every effort to achieve the needed integration."

With the Abbott Plan of 1947 the Bay and St. James Street rulers sought to answer the dollar crisis by diverting all exports possible to the U.S., while drastically curtailing imports and hoping desperately for relief through the projected Marshall Plan. Two years after the conclusion of the war, Abbott announced "limited austerity, we have been living beyond our means."

The dilemma facing the Canadian bourgeoisie was this: though there was nowhere else to turn, they could never hope to balance their trade with the U.S. on a peacetime basis. Canadian economy developed, not complementary to that of the U.S., but competitive with it in many vital fields, particularly manufacturing of finished goods, and agriculture. Historically Canada developed within the framework of the Empire Preference System and the "National Policy" of protective tariffs; and U.S. capital to the tune of almost a quarter of all capital invested in Canadian industry entered the country to cash in on these preferences and the internal market. While these industries earn no American dollars, they are a constant drain on Canada's dollar supply since they import heavily from the U.S. Withdrawal of their profits also constitutes a heavy drain, either potential or actual. To the extent those profits are reinvested (as they have been to a considerable degree since the war), they merely increase this additional time-bomb under the economy.

This dilemma — fundamentally the dilemma of the world market, of the death-agony of capitalism — leads inexorably to depression or temporary solution through war economy made possible by the needs and outlays of a U.S. also running on a war basis. That "integration" the Canadian bourgeoisie desire as the only solution of their immediate problems can only be achieved on the basis of the war economy.

The question of which variant it was to be was postponed for a period by the Marshall Plan, which however had clear war implications from the start.

Canada received a substantial cut of Marshall Plan authorizations. In its first stages it was almost everything the Canadian bourgeoisie had hoped for in the way of "integration". In 1948 Marshall Plan "off-shore" authorizations for purchase in Canada almost exactly balanced Canada's dollar deficit.

However, the swift decline of the U.S. market in 1949 and the resulting surpluses in field after field directly competitive with Canadian exports, coupled with the Marshall Plan's turning upon itself by the partial revival of European economy it achieved at this juncture, forced the U.S. to drastically tighten its grip on off-shore purchases in Canada. Again depression was imminent; the dollar crisis, never far beneath the surface, leapt to the fore; Canada did not escape the orgy of devaluation let loose in the capitalist world.

The onrushing depression was halted only through vast U.S. outlays for arms, and, with Korea, the definitive shift to an arms economy. The arms economy now dominates the economies of both halves of the North American continent.

But certain autarchic features of the international capitalist arms drive in its current stage apply also to Canada. The dollar problem still haunts the Canadian bourgeoisie, though to a diminishing degree; and this is aggravated by the increasing tendency to large excesses of imports over exports for the first time since the early Thirties. Consequently they press for more U.S. arms orders in Canada and off-shore authorizations for European arms orders. While the extent of the "integration" of the Canadian economy with the U.S. arms drive is illustrated by the fact that today over 70 percent of Canadian exports go the U.S., compared with less than 50 percent in previous years (the recent Torquay agreements accelerated this trend), nevertheless many Canadian export commodities are hard pressed for markets.

Wall Street controls the rhythm of the international arms drive. As yet, the solution of the economic problems of the Canadian bourgeoisie on the basis of a full scale war economy still lies in the blueprints of the joint Industrial Mobilization Committee. In its attempts to overcome current transitional problems and difficulties the government still clings to shreds of the "multilateral trade" dream. Its efforts to keep one foot in this visionary door are illustrated by its encouragement of British exports to Canada to try and stimulate renewed dollar buying. Britain on its part is using the present stage of the arms drive to more firmly pallisade (*buttress* — *ed.*) its sterling bloc, thus stymying such perspectives as far as it is in her power to do so. No such perspectives are realizable in any case.

And the Canadian bourgeoisie understands this; its orientation is so clear it does not even allow of a sham "debate" on the issue. That orientation is war economy and war itself, as immediate and long-range solutions. The occasional expressions of fears and doubts, and the clownish assertion of "independence," from the lips of government ministers and bourgeois spokesmen, express not an orientation away from the enforced American tie, but rather the dilemma of world capitalism which plagues the U.S. bourgeoisie also. Their immediate purpose at this time is to pressure the U.S. into allotting greater arms orders to Canada, as Pearson made unmistakably clear in his recent (May 8) foreign policy statement. The consciousness of the bourgeoisie of their only road was well expressed by Defense Minister Claxton early last year: "We have speeded up the program and we shall speed it up again that in peacetime we shall approximate more and more the situation in war, when the only limitations on our defense effort were the physical limitations of our productive capacity."

While the estimate of the resolution on party tasks and perspectives adopted by the Political Committee of the Revolutionary Workers Party in 1946, that the perspective ahead was "a devastating economic crisis", has failed to materialize, obviously none of the conditions were lacking. "What we then failed to realize", in the words of the SWP (*Socialist Workers Party, the RWP's Trotskyist ally in the USA* — *ed.*) resolution of 1948, "was the speed with which the drive to war would tend to combine with the maturing of the international and internal economic crisis. We underestimated how greatly the contradictions of American and world capitalism had been aggravated, how quickly they acquire extremely virulent forms, and how explosively they erupt."

The Canadian bourgeoisie is inexorably bound to the Wall Street war chariot and completely dependent upon the American economy; nevertheless it is not an abject satellite of Wall Street being dragged along by the hair but a strong Junior Partner, an independent capitalist class with powerful imperialist impulses of its own apart from its all-important need of commodity markets — viz., the need to export capital.

The basic independence of the Bay Street billionaires is established by the fact that, while the U.S. has displaced Britain as the chief foreign investor in the Canadian economy, nevertheless the bulk of capital is owned by the Canadian bourgeoisie. As mentioned previously, **American capital, which comprises the great bulk of the total foreign, is only about one quarter of total capital investment in Canadian industry.** (*Ed.: ONLY 25% of total capital investment? — but not dominating in manufacturing (autos, etc.), and resource extraction?*)

The importance of capital exports is not a new feature in Canadian economy, but it has become greater than ever before. Even during the depression Canada had, by 1936, exported capital to the tune of close to a billion dollars. While foreign investments in Canada have risen only from \$7.3 billion in 1939 to \$8.8 billion today -- actually a sharp decline considering the inflation of the dollar, not to speak of its even sharper relative decline — Canadian foreign investments have shot up from \$1.8 billion to \$4.7 billion. At the same time new capital investment in Canada, largely financed, as can be seen from the above figures, by the Canadian bourgeoisie itself, has reached very high levels. Yet even this cannot satisfy the gluttonous Canadian finance oligarchy, whose undistributed surpluses have risen 500 percent over 1939. This bourgeoisie has a great imperialist stake in the war against the Soviet Union and the erstwhile colonial peoples. Thus the reactionary role of capitalist Canada in world politics expresses not only its tie to the U.S. but its own imperialist interests which are inextricably bound with those of its senior partner. Its gift of a 90 million dollar arms loan to Chiang (*Kai shek*) to aid him in the civil war (*in China* — *ed.*); its aid in arming the Dutch for their assault on Indonesia; its eager leap into Korea with the second or third largest contribution despite

widespread and known mass opposition, comprising the majority the people — all these moves can only be fully understood in this light.

Effects of the War Drive in Canada

To implement their war economy, the bosses are attempting to foist upon the economy and the people a degree of control and regimentation unparalleled in Canadian history.

Uncertain of the tempo at which they will be able, or forced, to move, the government has already passed the "blank cheque" Emergency Powers Act and Defense Production Act, giving it legal power to completely regiment the nation step by step or at one sweep. It has clamped down on credit, taken over allocation of scarce materials for defense production priority. C. D. Howe, head of the Defense Production Department, has been constituted virtual czar of the economy in whom full authority of the limitless mobilization and control powers have been lodged.

The bourgeoisie cannot hope to repeat the relatively easy transition into the war economy of the '40's. The situation today differs profoundly from that existing on the eve of World War II. Then there was a deflated price and credit structure, a large percentage of productive capacity idle, almost a fifth of the labor force unemployed. The transition to the war economy was further aided by large payments from the European allies for arms orders. Today industry is running full blast, stimulated by only the first impact of the war economy. There is no reserve labor pool. Prices are at all-time highs, credit is inflated; the national debt, despite huge successive budgetary surpluses since the war which have cut it down a bit, still stands at over \$11 billion. Agriculture, if it is to be sustained at present levels, demands huge subsidies. Far from receiving payment at this stage for arms to Europe, the Canadian bourgeoisie must ship them gratis.

If, despite the relatively extremely favorable preconditions for imperialist entry into the last war, the living standards of the workers made no real improvement, (other than full employment and overtime), until gains were won on the picket lines at the war's close, then what can we expect of the arms economy under the unfavorable conditions cited above? Already in its first stages it has lashed deeply into the living standards of the people, rapidly accelerating their steady decline since 1946.

Inflation, powered by speculation, the war atmosphere and scarcities on the national and international arenas, rages at an uncontrolled tempo. Taxes have been pushed up to an all-time per capita high. But these will not be sufficient to prevent deficit spending by the government, until now still in the black, which must make its appearance and skyrocket in the future, raising the inflationary attack on the people's living standards to unbearable levels. At the same time taxes will be raised ever higher.

Scarcities will grow in all fields of mass consumption. The black market will reappear with tripled vigor.

Welfare, already under heavy attack, will be cut back in one field after another, let alone extended. The crippling housing shortage will intensify. The costs of the war now in preparation, added to those of the last war still to be paid off— which together already account for about two-thirds of the present budget — will increasingly burden the masses with no let-up in sight.

The regimentation necessary to achieve this is being carefully plotted and prepared for by the bosses. National registration, wage freeze, job freeze, labor draft, extension of the work week — they aim to institute all these measures, without which the war economy is impossible, at the earliest possible moment. The enabling legislation already exists in the Emergency Powers Act.

The drive of the bosses against the trade union movement, already far progressed with Ottawa's vicious anti-labor code and even more vicious provincial legislation, will be stepped up despite the willingness of the labor bureaucracy to compromise and retreat. The compulsory arbitration of the railway strike, the all-out aid in smashing the CSU (*Canadian Seafarers' Union —ed.*), shows the real aim of the state.

Conscription, with no distinction between "home defence" and overseas service, looms ahead as an immediate perspective of the state and the militarists. Committed to the imperialist military build-up in two continents, they have already drained the dregs of voluntary enlistment for Korea and Europe. While they envisage Canada's role as chiefly that of arms producer and the building of a large air force, the urgent necessity of conscription is indicated by St. Laurent's firm declaration that it will be enforced when necessary — in contrast with King's double-talking around this thorny issue and resort to a plebiscite. While King could wait over two and a half years after the actual entry of Canada into the last war before finally trapping the people into acceptance of overseas conscription — and even then took pains to enforce it with extreme caution — the capitalist rulers today are confronted with the necessity for the legislation and brutal enforcement of this measure even before the all-out conflagration. Preceding conscription, as in the last war, compulsory military training measures will probably go into effect.

To prepare for this regimentation and enforce it the bourgeoisie must accelerate its attacks on civil rights until the people are beaten and intimidated into the strait-jacket of conformity. While the tempo of the red-baiting, thought-control drive has been slower than in the U.S., due to the existence of the CCF (*Co-*

operative Commonwealth Federation, forerunner to the NDP ed.) and the consequent greater astuteness and homogeneity of perspective of the bourgeoisie, it has already taken great strides. In Quebec Duplessis enforces even more stringently the fascistic Padlock Law and maintains the most vicious anti-labor laws in Canada, largely because of the less advanced nature of the Quebec labor movement as a whole and the still dominant, though deeply mined, influence of the Catholic Church. The anti-war traditions of Quebec, however, still act as a deterrent to the all-out mobilization of the masses of Canada.

The government has moved, with whatever speed it felt safe, to prepare the ideological atmosphere for war and to cripple civil liberties. It fired the opening gun of the cold war with the 1946 "spy" trials. Its aid in smashing the CSU in a red-baiting orgy and its recent proscription of the battered remnant as "a political organization, not a trade union", its current law to screen all lake seamen, its screening of the ever-widening area of "defence" project personnel, its recurrent threats under the guise of a "private members" bill to outlaw "subversive" organizations, its amendment to the Citizenship Act to deprive of citizenship and deport any foreign-born Canadian labeled "not loyal to Canada", and finally the "blank cheque" Emergency Powers Act — all this marks a drive against civil liberties aimed to eclipse the terroristic Defence of Canada Regulations and abrogation of the basic right of habeas corpus during the last war. The discredited Stalinist LPP (*Labor Progressive Party*) is the pretext and avowed target of this drive; all independent organizations of the people, and particularly the organizations of labor, are its real target.

The finance-capitalist oligarchy, the "50 Big Shots," who represent a greater concentration of national wealth than even their counterparts in the U.S., are the unalterable foe of all civil rights. They own both capitalist political parties and the vastly expanded state machine; they rule increasingly outside of their own parliament. Glutted with wealth and power, profoundly conscious of the crisis of their system, they seek to confuse, weaken and divide the people by stages and then deliver them to war and the garrison state with a final blow. As the war economy extends and the immediate war threat grows, the military are pushed more and more to the fore, symbolizing the type of regime in preparation. The sinister activities of the Industrial Preparedness Association, the appointment of the militarist Gregg as Minister of Labor over strong union protest — are symptomatic of this ominous trend.

The Workers, the Trade Union Bureaucracy, and the CCF

Canadian labor underwent a transformation during and following the war far outstripping even that recorded by the Canadian bourgeoisie, their economy and their world position. The labor force as a whole increased about a fifth to well over five million; the percentage engaged in farm labor dropped to under a quarter while that engaged in manufacturing increased to well over a quarter. But the increased social weight of the industrial proletariat was even greater than the numerical and percentage gains would indicate, owing to the great advance of productivity that went hand in hand with the war and post-war expansion.

The war saw the emergence of this class as an organized force, over a million strong. But more significant than even this quantitative change was the qualitative change registered by the workers. The great centers of proletarian concentration, the mass production industries and basic industry were organized on the most modern and effective basis; industrial unionism (*i.e., unions encompassing ALL trades and all workers in each plant — Ed.*) Furthermore, the working class of Quebec, where a veritable industrial revolution occurred during the war, began to be drawn into the mainstream of the Canadian labor movement, thus undermining the most powerful bastion of Canadian reaction.

This transformed Canadian working class consolidated its power and deepened its union consciousness in the inspiring struggles which swept the country in '46. Defying the government, War Labor Boards and the massed threat of the RCMP, the workers carried their "illegal" strikes through to the largest wage gains ever won in Canada.

Despite the youth of the Canadian labor movement, however, it is already thoroughly bureaucratized at its top levels. The new leadership of the CCL (*Canadian Congress of Labour, the industrial union federation*) as well as the moss-backed TLC (*Trades & Labour Congress, the individual craft unions federation — ed.*) machine men, utilized the war situation of acute labor shortage to make a deal with the state. In return for the green light to expand their own base and influence virtually unhindered, they not only refused to fight for the betterment of the workers' living standards, but sabotaged the struggle to defend them. This sabotage they carried on allegedly to further the "defense of democracy." When the war ended, however, and the great struggles they had tried to avoid broke through despite the bureaucratic incubus, those "leaders", while generally maintaining the appearance of going along, tried by hook and crook to get them off the picket lines and into "lawful" channels. They bear the full blame for permitting the decline in labor's living standards despite the great gains of '46, and for the resulting extensive period of apathy among the ranks. In their fundamental subservience to the state, and to consolidate and extend their own grip at the expense of the State's mist section of the bureaucracy, they have carried the cold war into the unions and further undermined the

democratic rights of the membership. While the CCL bureaucracy plays in part a progressive role by virtue of its support of the CCF as the political arm of labor, the bulk of the leaders of the TLC — the largest trade union center in Canada — refuse to make even this gesture.

The power of the Canadian working class is reinforced by its real and living alliance in the trade union arena with the more powerful and concentrated working class of the United States, the mightiest in the world. But even more significant is the building by the CCL and important sections of the TLC of their own political arm — the CCF. The reasons for the different tempo of development of Canadian and U.S. labor in this decisive sphere are cited in the 1946 resolution of the party. Among other explanations the chief one stressed was the relative weakness of the trade union movement in Canada and the consequent more uncompromising stand of the state, reinforced by American capital which sought to retain Canada as a low wage area.

The 1946 resolution pointed out that at that time, despite the endorsement of the CCL, the CCF still primarily rested upon an agrarian base, chiefly in the West, and its membership in the cities was almost exclusively middle class. It noted what was then merely the possibility of the CCF becoming the mass party of labor.

This variant was definitively shown to have been established in life by the results of elections held in 1948. While losing agrarian support the CCF swept the industrial ridings of Ontario, in which 50% of Canadian manufacturing industry is concentrated. In the same year it captured three federal industrial ridings in significant by-election upsets, considerably increasing its vote in two of them. The CCF generally held or increased its industrial support in the 1949 general election, while its rural vote declined. In these and subsequent elections the CCL Political Action Committees took on flesh and blood and through them the unions became a powerful driving force, financially and organizationally, of the CCF campaigns. Trade union leaders were increasingly run as CCF candidates; the CCL trade union bureaucracy through their dynamic role in bringing the CCF into the union movement, became a real power in the organization.

These developments <<indicate>> (proved conclusively) that as the Canadian workers advance to political consciousness they <<tend to>> express this consciousness through support of the CCF. <<*The trend is well established and there is little*>> (Consequently it is now established beyond a doubt that the road of Canadian labor <<will be>> (lies) through the CCF.

The CCF is still in advance of the class as a whole; its stable base is still narrow. While the workers are projected towards the CCF with no possibility of turning back, and are destined to go through the experience of reformism, nevertheless they approach the CCF with considerable doubts. These are prompted by their experiences with the trade union bureaucracy and reservations with aspects of Coldwell's policies. This attitude is highly progressive, though colored at first by a touch of cynicism not only concerning the leadership, but the whole idea of political action.

The reformist CCF <<*begins to take form*>> (comes on the scene) as the Canadian labor party not at a time when it is able to win any extensive or lasting reforms for the workers by legislative means and so fasten a firm grip on them, to imbue them with the idea that class politics means class conciliation on the state level, but in the epoch of capitalist decay and permanent crisis when their old positions can be held, not to speak of new ones gained, only by economic action backed up and concentrated against the entire capitalist class by militant political action.

This contradiction of reformism in this epoch is sharply illustrated by the ever-increasing rightward trend of the CCF leadership precisely at the time the workers are more and more <<*receptive to radical solutions to their problems*>> (turning to it in their quest for radical solutions.) In the field of foreign policy they slavishly follow the government, except where it diverges from the British Labor Party. They support the arms economy and act as its apologists and propagandists to the workers, sugaring it over with increasingly thinning ideological enticements. They red bait and support in the last analysis the drive against civil rights. Afraid of the workers — (CCF leader) Coldwell has hopefully pronounced the class struggle "dead" — they strive to keep them at arms length, using them as a disciplined voting bloc. While forced to play a dual role because of the necessity to hold and extend their labor base, and representing at this stage the principle of independent political action not yet subscribed to by the majority of the Canadian working class, nevertheless they are fundamentally in a war coalition with the <<*bourgeoisie*>> (bourgeois state), and are committed above all else to the defense of dying capitalism.

The union bureaucracy section of the CCF leadership is fully in accord with this traditional conception of the agrarian-spawned Coldwell leadership as to what is meant by the "political arm of labor." They have made the CCF their own solely in order to protect their privileges.

The protection they thus strive to achieve has two main aspects, characterizing their dual role. On the one hand they need an independent party as pressure upon the bourgeois state, and eventually, they hope, its administrator. This need manifests itself not only in support of the CCF, but also in such actions as the increasing trend to top-level labor unity we have seen in the submissions and demands of the bureaucracy

upon Ottawa. This does not alter their fundamental subservience to the state, it is merely an aspect of it. They look upon the salvation of capitalism as their own salvation. On the other hand, the conditions and relationship of class forces in Canada which drove the bureaucracy into its position of relative independence of the bourgeois parties in control of the state, forces upon the ranks of Canadian labor in periods of upsurge a highly militant political orientation in the direction of its economic struggles. It is no accident that the call for a general strike arose powerfully among the working masses during the '46 strike wave, and began to be felt in the air even during the short railway strike. The bureaucracy must provide itself with a means of siphoning off and controlling this militancy which threatens their positions. The CCP serves their purpose admirably at this stage; they use it as a substitute for economic action, for that militancy they so fear. When as in 1946 and the railway strike, all their restraints failed; they use the CCF to try and maneuver the struggle off the picket lines and into the purely parliamentary arena. Through limited — if ever-diminishing — independence from the bourgeois parties, they seek to turn the state into an instrument to defend their own privileges and tie the workers more securely to it.

Thus while their support of the principle of independent labor political action is progressive and in advance of the consciousness of the majority of the Canadian working class, nevertheless the aims of their "independent politics" are reactionary. As much as the CCF farm leaders, these bureaucrats have no desire to see the CCF become a genuine labor party, that is based firmly and democratically upon the ranks and responsive to their demands and pressure.

As the workers more and more turn to the CCF, under the impulsion of the war drive, the reactionary purposes of the bureaucracy will increasingly come to the fore.

There is not a whit of difference between the old agrarian CCF leadership and the Millards and Mosher. They are all dependent upon the labor movement; their policies and orientation are cut from one cloth. The trade union bureaucrats support the war economy; they merely attempt to maintain their own positions within its framework. This is symbolized by their eager scurrying into the Manpower Advisory Committee. They have carried the witch-hunt venomously into the unions. Mosher put his pen to the ruling against the CSU. Any clashes that may develop in the leadership of the CCF will, in all probability for the next period, find the Coldwell-Mosher leadership solid against dissident elements of the party's secondary leadership; on the one hand, isolated agrarian MP's (such as Percy Wright, who voted for the government's railway strike bill), and, on the other, elements from the lower ranks of the union bureaucracy who are under the direct pressure of the workers.

Labor and the War Drive: Perspectives

"The key to the growth of the Canadian Trotskyist Movement", states the party's 1946 resolution, "depends on a correct appraisal and attitude towards the CCF. That appraisal now can only be that the CCF is the political expression of the Canadian working class. The perspectives ahead for the class, therefore are fundamentally intertwined with the perspectives of the CCF; and the latter, in turn, with our own perspectives.

As the crisis of capitalism deepens, as the drive to complete regimentation and war becomes more and more urgent, the tendency of the trade unions to become disciplinary appendages of the state machine through the agency of the CCF parliamentary-union bureaucracy will accelerate. At the same time the political class consciousness of the workers will develop by leaps and bounds.

Driven into a blind alley on the purely economic arena, the workers have already begun to turn sharply to political solutions; the extension and deepening of the war economy, in which the political nature of all problems becomes bared to the workers, will greatly facilitate this process. The workers will resist with growing power the imposition of all the sacrifices demanded by that "emergency" in which they see the bosses reaping fantastic profits. The curve of the class struggle will be up, though not in a straight line; but periods of passivity, doubts, even demoralization, while they will be deep-going because of the increasingly gigantic tasks confronting the workers without let-up, will for that very reason also be short lived.

While events undoubtedly will force the Canadian labor movement to compress its future development to the struggle for power into a short span, no stages in this development will be skipped. In the period ahead, the CCF will become the mass party of the Canadian working class; the CCF Trade Union Committees, the PACs —now sterile circles dominated by opportunists and careerists — will show new life; the move for affiliation to the CCF will grow prodigiously. While the bureaucracy will, if not continue to support and encourage, at least go along with these developments from an organizational point of view; the workers will imbue them with a deeper significance. As the mighty class struggles in the offing unfold, they will seek to use their organizations to defend their positions under the mounting capitalist offensive. (Ed. How this 1951 document anticipates the formation of the new Democratic Party in 1961.)

It is impossible to forecast the tempo of developments, of mass radicalization. This will be influenced above all by international factors. The triumph of the British Revolution, for example, could give the Canadian labor movement a Niagara-like impulsion. It would seem reasonable to assume, however, that for the immediate period ahead the CCL and CCF leadership, formally independent of the state, will have ground — constantly narrowing ground, to be sure — for maneuver.

Even if no transforming international developments were to occur in the next period — and we cannot grant this — we can still predict that at the very least the increase of mass militancy, defensive strikes, and politicization, coupled with the critical attitude of the workers to their leaders, will prepare the basis for a broad left wing in the unions and the CCF. Whereas previous left wings we have seen in the CCF were important but isolated phenomena divorced from the broad current of the labor movement, in accordance with the predominantly petty bourgeois composition of the CCF constituency clubs which are still its main active membership, the future will see the left wing union militants becoming the most active and critical CCFers, inevitably developing in opposition to the leadership on the political plane also. They will tend, from the beginning to join forces with re-inspire rank and file leftists already in the CCF, reinforced and encouraged by the anti-war traditions and growing opposition of the Canadian people — even now considerably developed as indicated by the rejection of troop involvement in Korea revealed by the Gallup Poll, by the flop of the volunteer drive, and within the CCF itself by the outspoken stand of T.C. Douglas, as well as the B.C Left.

This left-wing cadre that will be crystallized out in the CCF in the next period will present the greatest opportunities and most favorable field of work for revolutionists. Prior to this development, in the transitional period, and state of semi-flux in which the political development of the class now finds itself, we are not without some perspectives of increasing our cadre through independent work. The CCF at this time offers little inspiration, attraction or satisfaction to the militant elements of the working class and student youth. Some of them, catapulted ahead of the general movement of the class by the impact of the cyclonic revolutionary tempo of our epoch, are undoubtedly already ripe for our party which offers them in compensation for its smallness our vast understanding of and solutions to the fast-approaching Armageddon.

Tasks of the Party In the Next Period

The great task facing the Canadian working class is to tear themselves completely free of the capitalist state and all its agencies which are preparing their destruction, and to fulfill their socialist destiny. All the struggles of the workers in this period lead towards this goal; the struggle is political; it is destined to go through the CCF. Our tactic is therefore to most effectively ensure the success of the workers' struggle, and to build the mass revolutionary party which is the essential pre-condition for the success of this struggle, must be fundamentally in line with that laid down by the Ninth Plenum of the International Executive Committee of the Fourth International in its resolution Theses on the International Perspectives and Orientation of the Fourth International:

"In countries where the reformist parties by far outdistance all other working class formations and are the polar force for the great majority of the proletariat (England, Belgium, Australia) our movement should attempt to integrate itself in these organizations, to organize within them and to develop within them a conscious left wing."

The main orientation of the Canadian movement must be to "integrate itself" in the reformist party, the CCF.

The situation in Canada is now similar to that in "England, Belgium, Australia" in this fundamental respect: the CCF is the political expression of the Canadian working class; the Canadian working class is destined to go through the experience of the CCF.

Nevertheless, there is an important difference at this time in the situation as regards Canada and the other countries referred to, a difference which bears upon our immediate tasks. While the CCF has become in the past few years the labor party in Canada, nevertheless the majority of the class is still in the process of moving towards and into it, and the situation at this stage within the CCF is still by and large that outlined by the 1946 resolution — sterile, with little opportunity for immediate work. The left wing, even the possibilities for developing one, still lie in the future.

In England, Belgium, Australia, the situation has directly posed the question of entry into the mass labor parties — i.e., dissolution of the independent organization. Because of the fundamental similarity of the Canadian situation, the question of entry is also posed for our party; because of the important difference, it is posed not as an immediate tactic, but as a perspective, in line with which all our work must be oriented.

Entry at the present time would have liquidationist aspects for our movement. There is no cover for us at present against the increasing virulence of the right wing witch-hunt. A considerable section of our cadre, the most experienced and generally most marked, could not get in. Some of our fraction comrades are even now threatened with expulsion. Thus the dissolution of the independent party would by no means enable a more

effective utilization of our forces, the primary tactical consideration. Furthermore, we would, through premature, ill-prepared entry, be in possible danger of losing some of our painstakingly gathered and numerically quite weak forces. Our movement has already undergone such an experience, from which it has not yet fully recovered. Again there is our perspective of independent growth. For all these reasons, entry into the CCF at the present time would be inadvisable.

The whole purpose of the independent party now must be to aid and forward our task of entry — entry in a sound condition that will ensure the success of this move. The independent party's task now is to gather, consolidate and prepare our forces for this great turning point in our struggle. Thus, far from there being any contradiction between the continuation of the independent party for a period and our entry-orientation, that temporary continuation is a vital element of our orientation.

The turn to CCF fraction work, to the point of predominance in our activity, has already been made; this work must now be extended and more consciously undertaken as a task of integration. Our fraction work must be tied to the dynamics of the class movement; though complicated by the existence of the independent party it must fundamentally and increasingly be carried out in the spirit of the total entry we are preparing for. The exact inter-relations between our partial entry and independent work must be determined by the concrete circumstances within the framework of our need to build a cadre and our over-all entry orientation in which that need is a key factor.

We will maintain the party skeleton; we will publish the independent press. Apart from this, every comrade who can must join and work in the CCF <<*where a concrete evaluation of the whole situation, both objective and subjective, warrants this tactic. In the trade unions, political work can best be carried on through membership in the PACs and in the main, CCF membership makes possible the fullest utilization of a major field of activity*>> (It is of course impossible to work effectively in the trade unions — the TLC or CCL — without CCF membership.)

The fundamental tasks of our struggle for the creation and influence of the left wing can be clearly delineated in their broad outline even at this stage.

The development and leadership of the left will proceed hand in hand with a struggle to transform the CCF from labor party merely in terms of its mass base into a labor party based upon the active participation and control of the union ranks. The most elementary steps of this transformation — campaigns for support of and affiliation to the CCF — will aid in assembling the first cadre of the left.

The essence of the whole struggle of the trade union-CCF militants, in their immediate as well as fundamental objectives, is the fight for democracy, in the unions and the CCF. This is one struggle against one bureaucracy; it is the essence of the fight for independence from the capitalist state, which will be achieved, ultimately, by breaking the CCF from this state, or, as it is much more likely to be posed, by breaking the workers from the CCF.

The struggle for democracy is profoundly interlinked with the struggle for a correct program forwarding the interests of the masses. Such a program will inspire and consolidate the ranks with the feeling of power; it will also expose to them in terms of their day-to-day, bread and butter interests, what is really behind the bureaucratic curbs and repressions.

Most clearly is this the case in the demand for a referendum on the question of war — the overriding question in this period, to which all other questions are intimately connected. This slogan imbues the masses with the sense of getting a grip on the steering wheel of events; and they will ask with increasing impatience; why does the state oppose it? Isn't it democratic? And why do our leaders oppose it? A mass struggle around this issue will inexorably spell out the answers to these questions to the rank and file.

This is our central slogan against war; it raises the whole question of the war, its character, etc., in the most effective way. It is the transitional slogan against war best suited to exposing those "transitional" slogans of rallying support (*for*) war — such as "equality of sacrifice" and its old CCF variant "no conscription of manpower without conscription of wealth" — which we may expect will under the rising anti-war pressure be substituted by the bureaucracy for its present open support of the war and war program, already much more hedged than in the initial stages of Korea.

To say that this is our central anti-war slogan does not mean that it is pressed ahead of or to the exclusion of the slogans of opposition to the immediate effects of the war drive: No Conscription! No Wage Freeze! No Labor Draft! Revoke the War Budget! etc. What is meant is that the referendum slogan whenever possible should be put forward alongside such demands, channeling the hostile, nascent anti-war feelings into the direction of their generalization, preparing deeper-going, more conscious actions.

In the struggle for the defence of the living standards of the masses on the economic plane, our main slogans remain: the sliding scale of wages and consumers' price committees. The sliding scale has already won wide popularity and proved itself even in the bastardized form in which it has been gained. Consumers' price committees, to protect the populace as a whole from the profiteers, should be pressed particularly in the CCF constituency clubs. The success registered by the sliding scale raises the confidence of the masses that they can intervene in the inflation and in this sense will act to encourage the move for price committees.

We confront the bureaucracy on every possible occasion and in every possible way with our demands. Wherever the CCF gains power, as in Saskatchewan, we demand that they legislate and support not only our clearly political demands, but these as well.

We demand a principled stand by the leadership against the attack on civil rights in all its aspects. The existence of the RWP for an indeterminate period will sharpen the issues; our fractions can under favorable conditions play an important role in bringing reinforcements to the defense of our political rights.

The existence of the independent party while preparing for entry, will enable us to deal clearly and fundamentally with the problems of the working class and the development of the left, to aid the propaganda work of our fraction-comrades. We can hope also, as we have indicated, to pick up in the next period elements of the youth, militants, etc., through direct public propaganda. Wherever possible, the party should enter election campaigns in the period before entry, where this can be done without opposing CCF candidates. We should stress, on every appropriate occasion, our desire for affiliation to the CCF.

Conclusion

The world is rapidly heading towards the climax of the most revolutionary era of human history. Desperately driven to war as their only solution, the imperialists must launch first an all-out attack against their own working classes which will bring the class struggle to a white heat around the globe.

Already Asia is a raging torrent of revolution. When the proletariat of the metropolitan countries sweeps full-strength into the assault against the crumbling bourgeois order, the final battle will be joined.

Canada and the U.S., last bastions of capitalist solvency and strength, are rapidly being undermined by the very decay and destruction which so contributed to their power. This accelerating decline tends to force the communality of the interests of the North American proletariat with those of the oppressed masses throughout the globe, more and more clearly to the fore.

In the period ahead, the rising scope of class struggle in Europe, Asia, Africa, South America, will be reinforced by the entering of Canadian and American labor onto the arena, on a higher plane of development and more massive scale than ever before. Their unparalleled power will interact with the world revolution to an ever-increasing degree.

The development of the Canadian working class towards Trotskyism is inherent in his process. The basic slogan of our movement — Workers of the World, Unite! — will more and more be realized in action.

The Canadian proletariat is a young, vigorous, confident and undefeated class. It has given us dramatic glimpses of its future in the Winnipeg General Strike, the Windsor auto barricade, the Asbestos revolt. The Revolutionary Workers Party, Canadian Section of the Fourth International, has proven its ability to enter into and, when opportunity offered, lead the development of this class, to establish the ideas and movement of Trotskyism nationally and influence the most militant cadres of the Canadian working class. It is convinced of the necessity at this decisive juncture of world history to firmly orient itself toward preparation for entry into the mass movement to further assure the building of the revolutionary party and the victory of the class in the stormy days ahead.

Our new perspective confirms the realism of our struggle to unite this young and virile working class with the most advanced revolutionary theory — a unity which will prove more powerful than the atom bomb; a unity which will find its organizational expression in the ranks of the Fourth International; a unity which will spell the victory of socialism in Canada.

(NOTE: Another resolution to be presented to the 2nd National Convention of the RWP, dealing more extensively with the CCF question than is possible in a General Political Resolution, and supplementing this aspect of the General Political Resolution, will shortly be presented to the membership for pre-convention discussion, in the name of the N.C.) (See July 1951 Internal Bulletin: THE CCF: OUR TASKS AND PERSPECTIVES BY Ross Dowson – Ed.)

* * *

(Excerpt: “The Stalinists. What are the perspectives for them?”)

The only serious contenders against us in the struggle to advance our tendency, to influence the left and, at this stage, gain direct to the independent party the most militant elements of the youth, etc., are the Stalinists. What are the perspectives for them?

While the red-baiting drive tends to win sympathy for them from workers also feeling the increased pressure of reaction, the Stalinist party has suffered blows from which, if we vigorously intervene and offer effective leadership to the militants, the youth, etc, it will never recover.

The success of the red-baiting drive in the unions is attributable not solely or even mainly to the red-baiting as such. This factor plays a lesser role here than in the U.S. Chief factor in their discredited rout has been the ability of the other section of the trade union bureaucracy to expose the Stalinists to the rank and file as Kremlin stooges, to hit them from the left with their war record of open scabbing, their rotten contracts, their bureaucratism, etc — at the same time moving against them bureaucratically, not relying on the workers to oust them which would have threatened the bureaucratic domination and rotten contracts they seek to substitute for those of the Stalinists. It is significant that the first major crack-up of the Stalinist union apparatus came in the TWA (*International Woodworkers of America*) with a rank and file upsurge against their bureaucratic, plundering rule.

The effective branding of the LPP as a Kremlin stooge in the eyes of the masses has resulted in its decline, the demoralization of its members and atrophy of its fronts. This state of decay can best be gauged by the circulation of the weekly *Canadian Tribune*— (under 6000), the stagnation of the Peace Councils, and the defection of leading trade union hacks like Sullivan and McManus.

Even the first natural reaction of workers in the process of radicalization to sympathize with such a persecuted minority is well-nigh completely cancelled out by the reactionary Stalinist line which hurls headlong against their political development. The Stalinists join up with the most backward and reactionary elements and prejudices in the union ranks to keep the unions "out of politics," i.e. from supporting the CCF; they refuse to support the CCF even in B.C. where it is on the verge of taking power and where the capitalist parties are in coalition against it. They hysterically Trotsky-bait the most progressive elements and candidates of the CCF and deliberately run vote-splitting candidates against them in elections. At the same time they support "good," "peace-loving" candidates of the bourgeois parties, invariably denouncing them soon after their election as "betrayers." The more servilely they work for Stalin, the more servilely they plead about their "patriotism." All this can only disgust and antagonize the militants.

These policies and the general discrediting of Stalinism in Canada make the relationship of forces between Trotskyism and Stalinism extremely favorable for us. We have every hope in the present period of seriously influencing the left wing which will arise in the trade union movement and the CCF, and of picking up advanced elements of the youth, etc., to the independent party through direct propaganda. By an aggressive policy we can hope to gain the best elements of the Stalinists themselves. The international crack-up of Stalinism, far, far more deeply advanced than first appearances would indicate, will aid us powerfully in the task of completely destroying this cancerous growth in the labor movement.
